

Congress of the United States
Washington, DC 20515

June 17, 2021

The Honorable Carolyn Maloney
Chairwoman
Committee on Oversight and Reform
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairwoman Maloney:

Four months ago, on February 11, 2021, we wrote to you requesting a hearing on fraudulent unemployment benefits in California, which at the time were estimated to be between \$11 - \$31 billion.¹ We noted that fraudulent payouts had gone to “organized crime sources in Russia, China, and other countries.”² You did not schedule a hearing.

This week we learned that “[c]riminals may have stolen as much as half of the unemployment benefits the U.S. has been pumping out over the past year.”³ This amount may be “more than \$400 billion”⁴—a simply staggering number, and more than the gross domestic product of 35 states.⁵ To make matters worse, “the bulk of the money likely ended in the hands of foreign crime syndicates – making this not just theft, but a matter of national security.”⁶ One journalist has called this the “heist of the century.”⁷ In short, what we warned you in February was happening in California, appears to have happened on a national scale.

Overseeing proper stewardship of taxpayer funds is one of the most critical functions the Oversight Committee can perform. Indeed, it is at the core of the Committee’s mission of ferreting out waste, fraud, and abuse in our government. House Rule X, clause 3(i) provides that the Committee shall “review and study on a continuing basis the operation of Government at all levels with a view to determining their economy and efficiency.” There can be no doubt that this Committee should be steadfastly committed and driven to investigating the \$400 billion stolen from American taxpayers since the beginning of the pandemic—nearly \$1 billion per day.

¹ Letter from Hon. Darrell Issa, et al. to Hon. Carolyn Maloney, Chair., H. Comm. on Oversight and Reform, Feb. 11, 2021.

² *Id.*

³ Felix Salmon, *Half of the pandemic’s unemployment money may have been stolen*, AXIOS, June 10, 2021, available at https://www.axios.com/pandemic-unemployment-fraud-benefits-stolen-a937ad9d-0973-4aad-814f-4ca47b72f67f.html?utm_source=newsletter&utm_medium=email&utm_campaign=newsletter_axiosam&stream=to

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⁴ *Id.*

⁵ *GDP by State*, U.S. Bureau of Economic Analysis, available at <https://www.bea.gov/data/gdp/gdp-state>.

⁶ Salmon, *supra* note 2.

⁷ Mike Allen, *Axios AM: Heist of the Century*, AXIOS, June 10, 2021.

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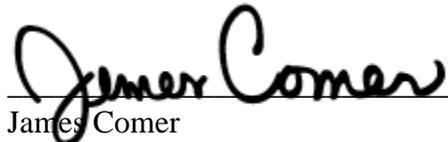
There is no telling how much lower this \$400 billion may have been had the Committee held a timely hearing on fraudulent unemployment benefits to alert people across the country of these criminal schemes. However, it is not too late. The Committee still has the power to find out what happened to this money to help prevent more fraud in the future. We therefore write again today urging you to hold a hearing on fraudulent claims of pandemic-assistance unemployment benefits.

We look forward to receiving your timely response.

Sincerely,



Darrell Issa
Member of Congress



James Comer
Ranking Member
Committee on Oversight and Reform



Gary Palmer
Chairman
Republican Policy Committee

Enclosure